

CENTRAL VALLEY RAIL WORKING GROUP

County of Sacramento

City of Sacramento

City of Elk Grove

City of Galt

Sacramento Area

Council of Governments

Sacramento Regional

Transit District

County of San Joaquin

City of Lodi

City of Stockton

City of Manteca

San Joaquin

Council of Governments

San Joaquin Regional

Rail Commission

San Joaquin

Regional Transit District

County of Stanislaus

City of Modesto

City of Turlock

Stanislaus

Council of Governments

County of Merced

City of Merced

Merced County

Association of Governments

Member Agencies

in a

Memorandum of

Understanding

May 2, 2013

Mr. Dan Richard

Chairperson, California High-Speed Rail Authority

770 L Street, Suite 800

Sacramento CA 95814

RE: Letter of Support for Sacramento-Merced Section

Dear Chairperson Richard,

The Central Valley Rail Working Group strongly supports high-speed rail, regional rail, and conventional intercity rail improvements in the Sacramento to Merced Corridor.

Our 20-agency working group has been involved in the coordinated planning for passenger rail service between Sacramento and Merced since 2006. Regional coordination and involvement offers so many benefits in terms of leveraging resources and being responsive to the communities and the rail passengers. Our working group includes all the regional transportation planning agencies, regional rail operators, and major cities in the Sacramento to Merced section. We have been very good partners in the development of the high-speed rail project.

We understand that the focus of the CHSRA is the implementation of the first construction segment in the San Joaquin Valley and the initial operating segment between Merced and Southern California. Nevertheless, we believe that it is important to continue progress towards the HST system's ultimate connection to Sacramento. In coordination with the local and regional agencies, the CHSRA's Sacramento-Merced Preliminary Alternative Analysis work should be completed in advance of re-bidding the Sacramento to Merced contract. We believe it is essential to show good value for the resources which have already been expended.

In addition, we request that the CHSRA work with the local and regional agencies within the corridor to determine how best to move forward with future work in this section. We believe it would be prudent, and more consistent with the 2012 Revised CHSRA Business Plan to focus resources allocated to this section on near-term improvements of the existing rail connection from Sacramento to the initial operating segment of the high-speed system. Currently Sacramento is only served with two daily round trips on the state-supported San Joaquin Amtrak service between Sacramento and Merced which will not provide any meaningful support to the phased implementation of high-speed rail (the northbound trains arrive in Sacramento at 12:30 pm and 11:30 pm).

The Central Valley Rail Working Group looks forward to continuing to work with the CHSRA towards implementing a successful statewide high-speed rail network.

Sincerely,



Steve Cohn

Sacramento City Council Member, Sacramento Regional Transit Board Member,
San Joaquin JPA Board Member, Capitol Corridor JPA Board Member

On behalf of the Central Valley Rail Working Group

COUNCIL OF ASIAN AMERICAN BUSINESS ASSOCIATIONS

1167 Mission Street, 4th Floor, San Francisco, California 94103-1544

May 1, 2013

Board of Directors
California High-Speed Rail Authority
770 L Street, Suite 800
Sacramento, CA 95814

Attention: Mr. Dan Richard, Chair

The Honorable Chair:

Regional Consultant Contract Amendment - April 4, 2013 Board Meeting
Board Resolution # HSRA 13-05, Parsons Transportation Group
Board Resolution # HSR 13-06, URS Joint Venture

On behalf of the Council of Asian American Business Associations, I am writing to request the Board to rescind the two subject resolutions passed in the April 4, 2013 Board meeting.

As you know the lack of the participation of the Small Business Enterprises (SBE), the Disadvantaged Business Enterprises (DBE) and the Disabled Veterans Business Enterprises (DVBE) in the Authority's contracting has been a well documented issue. It started, in a period between 2006 and 2008, with the Authority awarded eight regional consultant contracts and one program management contracts for a total on the order of \$ 800 millions with a token of participation of SBE and DBE participation of 1% to 3%.

The participation of SBE/DBE/DVBE has improved moderately, ranging from 4.3% to 23.4%, as indicated on the attached draft Small Business Utilization Report Summary for the period covered of July 1, 2006 and September 30, 2012.

More recently, the Authority should be commended for awarding the Project and Construction Management Contract (CP #1) to PGH Wong/Harris team with a 30% SBE/DBE/DVBE participation.

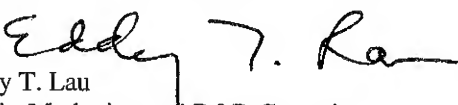
As to the two regional consultant contract amendments, both the Parsons Transportation Group and the URS Joint Venture are projected to achieve about 9% of SBE/DBE/DVBE utilization, as shown on the Summary. It is significantly below the goal of 30%.

Although the Resolution for each of the amendments call for the compliance of the Authority's Small and Disadvantaged Business Enterprise Program and the applicable 30% participation goal, there is no commitment from the prime to meet such goal. It is our opinion that the prime will conduct business as usual in treating the SBE/DBE/DVBE as there is no outreach, solicitation and/or publication of contract opportunities for additional SBE/DBE/DVBE firms.

We request that the Authority require that the prime to demonstrate the willingness of meeting and comply with the 30% goal by submitting a list of subconsultants before executing the contract amendment.

If you have any questions or require additional information, please do not hesitate to contact me at (415) 505-5538.

Yours very truly
Council of Asian American Business Associations


Eddy T. Lau
Chair, Marketing and R&D Committee



Draft Small Business Utilization Report Summary
Period Covered: 7/1/2006 - 9/30/2012

Contract Number	Active Contracts (Professional Services)	Contract End Date	A. Contract Value	Contract Expended to Date	B. SB/DBE/DVBE/ MB Utilization Commitment	C. Commitment % [C = B/A]	D. SB/DBE/DVBE/ MB Projected Utilization	E. Utilization % based on Commitment [E = D/B]	F. Utilization % based on Contract Expended to Date
1 HSR06-0004	HMM, URS, ARUP	6/30/2013	\$ 74,288,000.00	\$ 48,721,706.45	\$ 5,495,573.00	7.40%	\$ 3,567,158.52	64.91%	7.32%
2 HSR06-0005	STV Incorporated	6/30/2014	\$ 50,000,000.00	\$ 33,854,452.84	\$ 9,627,766.43	19.26%	\$ 7,928,896.60	82.35%	23.42%
3 HSR06-0006	HNTB Corporation	6/30/2013	\$ 94,805,692.00	\$ 10,349,576.67	\$ 2,471,961.00	2.61%	\$ 1,871,686.40	75.72%	18.08%
4 HSR06-0003	URS, HMM, ARUP	6/30/2013	\$ 119,985,612.00	\$ 89,073,196.51	\$ 12,553,672.36	10.46%	\$ 8,032,005.91	63.97%	9.02%
5 HSR06-0007	AECOM	6/30/2013	\$ 83,400,000.00	\$ 57,605,955.99	\$ 9,228,703.81	11.07%	\$ 6,747,621.05	73.12%	11.71%
6 HSR06-0003	AECOM	6/30/2014	\$ 55,000,000.00	\$ 5,108,993.40	\$ 283,346.00	0.52%	\$ 218,194.06	77.01%	4.27%
7 HSR08-05	Parsons Transportation Group, Inc.	6/30/2014	\$ 55,000,000.00	\$ 47,803,658.24	\$ 5,828,401.63	10.60%	\$ 4,201,282.09	72.08%	8.79%
8 HSR08-04	HNTB Corporation	6/30/2014	\$ 55,000,000.00	\$ 44,942,596.86	\$ 3,948,434.66	7.18%	\$ 3,576,392.99	90.58%	7.96%
9 HSR06-0001	Parsons Brinckerhoff	6/30/2013	\$ 199,000,000.00	\$ 134,151,034.75	\$ 36,863,364.00	18.53%	\$ 25,001,286.86	67.82%	18.64%
10 HSR09-09	TYLIN International	6/30/2013	\$ 18,000,000.00	\$ 7,833,092.62	\$ 1,103,148.08	6.13%	\$ 799,569.38	72.48%	10.21%
Subtotal			\$ 804,479,304.00	\$ 479,448,364.33	\$ 87,408,376.97	10.87%	\$ 61,944,093.86	70.87%	*12.92%

Contract Number	Active Contracts (Administrative)	Contract End Date	A. Contract Value	Contract Expended to Date	B. SB/DBE/DVBE/ MB Utilization Commitment	C. Commitment % [C = B/A]	D. SB/DBE/DVBE/ MB Projected Utilization	E. Utilization % based on Commitment [E = D/B]	F. Utilization % based on Contract Expended to Date
1 HSR08-10	Nossaman LLP	6/30/2013	\$ 5,900,000.00	\$ 3,023,098.47	\$ -	0.00%	\$ -	-	0.00%
2 HSR10-33	Stephen M. Chase, Attorney	6/30/2013	\$ 64,250.00	\$ 42,066.61	\$ -	0.00%	\$ -	-	0.00%
3 HSR10-34	KPMG LLP	6/30/2013	\$ 5,750,000.00	\$ 3,894,912.15	\$ 280,000.00	4.87%	\$ 244,247.22	87.23%	6.27%
4 HSR11-21	CA Reporting, LLC	12/31/2012	\$ 10,000.00	\$ 3,936.95	\$ 10,000.00	100.00%	\$ 3,936.95	39.37%	100.00%
5 HSR11-23	Kennedy Court Reporters	12/31/2012	\$ 10,000.00	\$ 1,411.00	\$ 10,000.00	100.00%	\$ 1,411.00	14.11%	100.00%
6 HSR11-24	Kadeish & Associates LLC	11/30/2012	\$ 100,000.00	\$ 74,530.41	\$ -	0.00%	\$ -	-	0.00%
7 HSR11-47	Carmazzi Global Solutions	6/30/2013	\$ 100,000.00	\$ 8,113.05	\$ 100,000.00	100.00%	\$ 8,113.05	8.11%	100.00%
8 HSR12-04	Kaplan Kirsch & Rockwell LLP	6/30/2013	\$ 42,000.00	\$ 54,192.33	\$ -	0.00%	\$ -	-	0.00%
9 HSR11-45*	Akin Gump Strauss Hauer & Feld LLP	6/30/2014	\$ 852,500.00	\$ 14,629.65	\$ -	0.00%	\$ -	-	0.00%
10 HSR11-46*	Remy Moose Manley LLP	2/6/2014	\$ 500,000.00	\$ 47,507.43	\$ -	0.00%	\$ -	-	0.00%
Subtotal			\$ 13,328,750.00	\$ 7,164,998.05	\$ 400,000.00	3.00%	\$ 257,708.22	61.43%	3.60%
Total			\$ 817,808,054.00	\$ 486,613,362.38	\$ 87,808,376.97	10.74%	\$ 62,201,802.08	70.84%	12.78%

* The following contracts were awarded during this reporting period:

Contract Number	Active Contract	Awarded	Original Value
1 HSR11-45*	Akin Gump Strauss Hauer & Feld LLP	9/14/2012	\$ 852,500.00
2 HSR11-46*	Remy Moose Manley LLP	9/13/2012	\$ 500,000.00

*Small Business Utilization by Category			
SB	DBE	DVBE	MB
3.85%	6.40%	0.66%	2.01%

Legend

SB/DBE/DVBE/MB Utilization Commitment (Column B)	Based on Contractors' executed subcontract agreements and/or approved budget allocations
SB/DBE/DVBE/MB Projected Utilization (Column D)	Based on verified Contractors' submitted and approved invoices.



May 2, 2013

California High Speed Rail Authority

RE: Community Benefits Agreement

Dear Sirs,

I have had the opportunity to review the Community Benefits Agreement initiated for construction of the HSR. I believe that to be laudable and congratulate you on that achievement. It is an important step to insure continued economic development in our communities, and an opportunity for the chronically unemployed and disadvantaged to change the trajectory of their lives. However, I do have some concerns about the actual execution of the program you have put in place.

I am the Executive Director of PVJOBS. Part of our mission is to advocate for the inclusion of disadvantaged workers on construction projects. We have had much success in these advocacy efforts, and in the execution of the program design. We have successfully advocated for similar and department-wide programs at the Community Redevelopment Agency of Los Angeles, the Los Angeles Department of Public Works, the Port of Los Angeles, the Los Angeles Community College District and several other public and private projects. All the 30 or so projects we currently work, including the CBA you have established for the HSR, is modeled after the PVJOBS program design. As such, we know what works and what does not work, and what is absolutely necessary, having been at this for 14 years.

Concern #1

It has been our experience that the general contractor must be responsible for CBA or program performance goals. The process should be clearly outlined and included in the contract between the owner (HSRA) and the General Contractor. The CBA includes noteworthy goals but does not include a process by which those goals will be attained. I would recommend that the HSRA develop a policy and procedure for implementation.

Concern #2

We have found that clearly established mechanisms for oversight and compliance are absolutely necessary. Compliance oversight should be done by a third party to avoid the perception of conflict of interest, and to provide the Authority a level of confidence.

Concern #3

Failure to follow clearly established procedures (as expressed in Concern #1) must lead to some sort of punitive action for the GC. Note that we have rarely seen punitive damages assessed, and it is not the intent of this part of the policy to do so. Establishing clear procedures provides the GC with the mechanism to reach the stated goals. Note that it is not the lack of attainment of the goal that creates the action, but rather the failure to follow established procedures. It is also a demonstration to all parties and the public that the Authority is serious about the program.

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Los Angeles, CA 90037

Voice 323.432.3955

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Concern #4

There is no coordination between workforce development agencies, labor and contractors to implement the goals. In Los Angeles, we call this the Jobs Coordinator. The Jobs Coordinator is responsible securing the pipeline of potential workers for the contractors by coordinating the efforts of WIA funded agencies (for payment of indenture fees, tools and clothing, case management, etc.), of labor unions (for indenture), of training agencies (for apprentice preparation), other agencies for specialized services and the public for outreach. This critical lynchpin connects the community with labor and contractors. The Jobs Coordinator also coordinates On-the-Job Training (OJT) contracts and Work Opportunity Tax Credits (WOTC) to employers. These incentives can substantially reduce labor costs and contribute to profit margins.

Again, I congratulate you for your accomplishment in constructing the CBA. My comments are meant to be constructive, informative and assistive in reaching your goals. Thanks for your attention.

Sincerely,

A handwritten signature in cursive script that reads "Ernest M. Roberts".

Ernest M. Roberts
Executive Director